



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

March 20, 2019

The Honorable Katie Hobbs
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bill from the Fifty-fourth Legislature, 1st Regular Session, which I signed on March 20th, 2019:

HB 2673 property; products; services; sandbox (Weninger)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed

FILED
KATIE HOBBS
SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 9
HOUSE BILL 2673

AN ACT

AMENDING TITLE 18, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 6; AMENDING SECTION 41-1506, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE PRODUCTS AND SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 18, Arizona Revised Statutes, is amended by adding
3 chapter 6, to read:

4 CHAPTER 6

5 PROPERTY TECHNOLOGY SANDBOX

6 ARTICLE 1. GENERAL PROVISIONS

7 18-601. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "APPLICABLE AGENCY" MEANS A DEPARTMENT OR AGENCY OF THIS STATE
10 ESTABLISHED BY LAW TO REGULATE CERTAIN TYPES OF BUSINESS ACTIVITY IN THIS
11 STATE AND PERSONS ENGAGED IN SUCH BUSINESS, INCLUDING TYPES OF
12 AUTHORIZATION, THAT THE CHIEF EXECUTIVE OFFICER DETERMINES WOULD REGULATE
13 A SANDBOX PARTICIPANT.

14 2. "CHIEF EXECUTIVE OFFICER" MEANS THE CHIEF EXECUTIVE OFFICER OF
15 THE ARIZONA COMMERCE AUTHORITY.

16 3. "CONSUMER" MEANS A PERSON THAT PURCHASES OR OTHERWISE ENTERS
17 INTO A TRANSACTION OR AGREEMENT TO RECEIVE AN INNOVATIVE PROPERTY PRODUCT
18 OR SERVICE THAT IS BEING TESTED BY A SANDBOX PARTICIPANT.

19 4. "INNOVATION" MEANS, WITH RESPECT TO PROVIDING A PROPERTY PRODUCT
20 OR SERVICE OR A SUBSTANTIAL COMPONENT OF A PROPERTY PRODUCT OR SERVICE,
21 THE USE OR INCORPORATION OF NEW OR EMERGING TECHNOLOGY OR THE
22 REIMAGINATION OF USES FOR EXISTING TECHNOLOGY TO ADDRESS A PROBLEM,
23 PROVIDE A BENEFIT OR OTHERWISE OFFER A PRODUCT, SERVICE, BUSINESS MODEL OR
24 DELIVERY MECHANISM THAT IS NOT KNOWN BY THE CHIEF EXECUTIVE OFFICER TO
25 HAVE A COMPARABLE WIDESPREAD OFFERING IN THIS STATE.

26 5. "INNOVATIVE PROPERTY PRODUCT OR SERVICE" MEANS A PROPERTY
27 PRODUCT OR SERVICE THAT INCLUDES AN INNOVATION.

28 6. "PROPERTY PRODUCT OR SERVICE":

29 (a) MEANS A PRODUCT OR SERVICE THAT INCLUDES A BUSINESS MODEL,
30 DELIVERY MECHANISM OR ELEMENT THAT MAY OTHERWISE REQUIRE AN AUTHORIZATION
31 TO ACT AS A PROPERTY INSTITUTION OR ENTERPRISE OR OTHER ENTITY OR AN
32 ACTION NOT YET CONTEMPLATED BY STATUTE.

33 (b) DOES NOT INCLUDE A PRODUCT OR SERVICE THAT IS RELATED TO THE
34 PHYSICAL NEW CONSTRUCTION OF IMPROVEMENTS TO REAL PROPERTY.

35 7. "PROPERTY TECHNOLOGY SANDBOX" MEANS THE PROGRAM ESTABLISHED BY
36 THIS CHAPTER THAT ALLOWS A PERSON TO TEMPORARILY TEST INNOVATIVE PROPERTY
37 PRODUCTS OR SERVICES ON A LIMITED BASIS WITHOUT OTHERWISE BEING AUTHORIZED
38 TO ACT UNDER THE LAWS OF THIS STATE.

39 8. "SANDBOX PARTICIPANT" MEANS A PERSON WHOSE APPLICATION TO
40 PARTICIPATE IN THE PROPERTY TECHNOLOGY SANDBOX IS APPROVED PURSUANT TO
41 THIS CHAPTER.

42 9. "TEST" MEANS TO PROVIDE PRODUCTS AND SERVICES AS ALLOWED BY THIS
43 CHAPTER.

18-602. Program purpose

THE CHIEF EXECUTIVE OFFICER SHALL ESTABLISH A PROPERTY TECHNOLOGY SANDBOX PROGRAM IN DIRECT CONSULTATION WITH THE DEPARTMENT OF ADMINISTRATION, THE STATE REAL ESTATE DEPARTMENT AND OTHER APPLICABLE AGENCIES OF THIS STATE TO ENABLE A PERSON TO OBTAIN LIMITED ACCESS TO THE MARKET IN THIS STATE TO TEST INNOVATIVE PROPERTY PRODUCTS OR SERVICES WITHOUT OBTAINING AUTHORIZATION THAT OTHERWISE MIGHT BE REQUIRED.

18-603. Application process and requirements; fee

A. ANY PERSON MAY APPLY TO ENTER THE PROPERTY TECHNOLOGY SANDBOX TO TEST AN INNOVATION.

B. THE CHIEF EXECUTIVE OFFICER MUST ACCEPT AND REVIEW EACH APPLICATION FOR ENTRY INTO THE PROPERTY TECHNOLOGY SANDBOX ON A ROLLING BASIS.

C. AN APPLICATION MUST DEMONSTRATE THAT AN APPLICANT BOTH:

1. IS AN ENTITY OR INDIVIDUAL WHO IS SUBJECT TO THE JURISDICTION OF THIS STATE.

2. HAS ESTABLISHED A LOCATION, WHETHER PHYSICAL OR VIRTUAL, THAT IS ADEQUATELY ACCESSIBLE TO THE CHIEF EXECUTIVE OFFICER, FROM WHICH TESTING WILL BE DEVELOPED AND PERFORMED AND WHERE ALL REQUIRED RECORDS, DOCUMENTS AND DATA WILL BE MAINTAINED.

D. PERSONS THAT ALREADY POSSESS AN AUTHORIZATION UNDER STATE LAWS THAT REGULATE A PROPERTY PRODUCT OR SERVICE MUST FILE AN APPLICATION WITH THE CHIEF EXECUTIVE OFFICER TO TEST AN INNOVATION WITHIN THE PROPERTY TECHNOLOGY SANDBOX FOR A PROPERTY PRODUCT OR SERVICE OUTSIDE THE SCOPE OF THE AUTHORIZATION.

E. APPLICATIONS MUST CONTAIN SUFFICIENT INFORMATION TO DEMONSTRATE THAT AN APPLICANT HAS AN ADEQUATE UNDERSTANDING OF THE INNOVATION AND A SUFFICIENT PLAN TO TEST, MONITOR AND ASSESS THE INNOVATION WHILE ENSURING THAT CONSUMERS ARE PROTECTED FROM A TESTING FAILURE.

F. APPLICATIONS MUST CONTAIN THE INFORMATION REQUIRED BY A FORM THAT IS DEVELOPED AND MADE PUBLICLY AVAILABLE BY THE CHIEF EXECUTIVE OFFICER. THE INFORMATION REQUIRED BY THE FORM MAY INCLUDE:

1. RELEVANT PERSONAL AND CONTACT INFORMATION FOR THE APPLICANT, INCLUDING FULL LEGAL NAMES, ADDRESSES, TELEPHONE NUMBERS, E-MAIL ADDRESSES, WEBSITE ADDRESSES AND OTHER INFORMATION THAT THE CHIEF EXECUTIVE OFFICER DEEMS NECESSARY.

2. DISCLOSURE OF ANY CRIMINAL CONVICTIONS OF THE APPLICANT OR KEY PERSONNEL, IF ANY.

3. A DESCRIPTION OF THE INNOVATION DESIRED TO BE TESTED, INCLUDING STATEMENTS REGARDING ALL OF THE FOLLOWING:

(a) HOW AN INNOVATION IS SUBJECT TO REGULATION OUTSIDE OF THE PROPERTY TECHNOLOGY SANDBOX.

(b) HOW THE INNOVATION WOULD BENEFIT CONSUMERS.

(c) HOW THE INNOVATION IS DIFFERENT FROM OTHER PROPERTY PRODUCTS OR SERVICES AVAILABLE IN THIS STATE.

1 (d) ANY RISKS TO CONSUMERS.

2 (e) HOW ENTERING THE PROPERTY TECHNOLOGY SANDBOX WOULD ENABLE A
3 SUCCESSFUL TEST OF THE INNOVATION.

4 (f) A DESCRIPTION OF THE PROPOSED TESTING PLAN, INCLUDING ESTIMATED
5 TIME PERIODS FOR MARKET ENTRY, MARKET EXIT AND THE PURSUIT OF NECESSARY
6 LICENSURE OR AUTHORIZATION.

7 (g) HOW THE APPLICANT WILL WIND DOWN THE TEST AND PROTECT CONSUMERS
8 IF THE TEST FAILS.

9 (h) HOW THE APPLICANT WILL USE CYBERSECURITY MEASURES TO AVOID
10 BREACHES AND PROTECT CONSUMER AND TRANSACTION DATA.

11 G. THE CHIEF EXECUTIVE OFFICER SHALL COLLECT A NONREFUNDABLE
12 PROCESSING FEE FROM EACH APPLICANT IN AN AMOUNT DETERMINED BY THE ARIZONA
13 COMMERCE AUTHORITY. MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE
14 DEPOSITED IN THE ARIZONA COMMERCE AUTHORITY FUND ESTABLISHED BY SECTION
15 41-1506.

16 H. A PERSON SHALL FILE A SEPARATE APPLICATION FOR EACH INNOVATION
17 SOUGHT TO BE TESTED.

18 I. AFTER THE APPLICANT SUBMITS THE INFORMATION REQUIRED BY
19 SUBSECTION F OF THIS SECTION, THE CHIEF EXECUTIVE OFFICER MAY SEEK
20 ADDITIONAL INFORMATION THAT THE CHIEF EXECUTIVE OFFICER DEEMS
21 NECESSARY. NOT LATER THAN NINETY DAYS AFTER AN APPLICATION IS INITIALLY
22 SUBMITTED, THE CHIEF EXECUTIVE OFFICER SHALL NOTIFY THE APPLICANT WHETHER
23 THE APPLICATION IS APPROVED FOR ENTRY INTO THE PROPERTY TECHNOLOGY
24 SANDBOX. THE CHIEF EXECUTIVE OFFICER AND AN APPLICANT MAY MUTUALLY AGREE
25 TO EXTEND THE TIME PERIOD FOR THE CHIEF EXECUTIVE OFFICER TO DETERMINE
26 WHETHER AN APPLICATION IS APPROVED FOR ENTRY INTO THE PROPERTY TECHNOLOGY
27 SANDBOX.

28 J. THE CHIEF EXECUTIVE OFFICER MAY DENY APPLICATIONS IN THE CHIEF
29 EXECUTIVE OFFICER'S DISCRETION, AND A DENIAL IS NOT AN APPEALABLE AGENCY
30 ACTION FOR THE PURPOSES OF TITLE 41, CHAPTER 6, ARTICLE 10.

31 18-604. Consultation with applicable agencies; admission
32 authority; state properties available for use

33 A. THE CHIEF EXECUTIVE OFFICER MUST CONSULT WITH AN APPLICABLE
34 AGENCY BEFORE ADMITTING AN APPLICANT INTO THE PROPERTY TECHNOLOGY
35 SANDBOX. THIS CONSULTATION MAY INCLUDE SEEKING INFORMATION ABOUT:

36 1. WHETHER THE APPLICABLE AGENCY PREVIOUSLY HAS EITHER:

37 (a) ISSUED A LICENSE OR OTHER AUTHORIZATION TO THE APPLICANT.

38 (b) INVESTIGATED, SANCTIONED OR PURSUED LEGAL ACTION AGAINST THE
39 APPLICANT.

40 2. WHETHER THE APPLICANT COULD OBTAIN AUTHORIZATION FROM AN
41 APPLICABLE AGENCY AFTER EXITING THE PROPERTY TECHNOLOGY SANDBOX.

42 B. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, THE CHIEF
43 EXECUTIVE OFFICER HAS SOLE AUTHORITY TO MAKE THE FINAL DECISION WHETHER TO
44 ADMIT AN APPLICANT INTO THE PROPERTY TECHNOLOGY SANDBOX, EXCEPT THAT THE
45 CHIEF EXECUTIVE OFFICER MAY NOT ADMIT AN APPLICANT WHOSE INNOVATION SHOULD

1 BE REGULATED PURSUANT TO TITLE 41, CHAPTER 55 OR WHOSE INNOVATION INVOLVES
2 PHYSICAL CONSTRUCTION THAT REQUIRES A CONTRACTOR LICENSE PURSUANT TO TITLE
3 32, CHAPTER 10.

4 C. THE DEPARTMENT OF ADMINISTRATION SHALL PROVIDE TO THE ARIZONA
5 COMMERCE AUTHORITY A LIST OF STATE-OWNED BUILDINGS AND PROPERTIES THAT ARE
6 AVAILABLE FOR A SANDBOX PARTICIPANT TO USE.

7 18-605. Scope

8 A. IF THE CHIEF EXECUTIVE OFFICER APPROVES AN APPLICATION FOR ENTRY
9 INTO THE PROPERTY TECHNOLOGY SANDBOX, THE APPLICANT IS DEEMED A SANDBOX
10 PARTICIPANT AND BOTH OF THE FOLLOWING APPLY:

11 1. THE SANDBOX PARTICIPANT HAS TWENTY-FOUR MONTHS AFTER THE DATE OF
12 APPROVAL TO TEST THE INNOVATION DESCRIBED IN THE SANDBOX PARTICIPANT'S
13 APPLICATION.

14 2. THE CHIEF EXECUTIVE OFFICER MUST ISSUE THE SANDBOX PARTICIPANT A
15 REGISTRATION NUMBER.

16 B. THIS SECTION DOES NOT RESTRICT A SANDBOX PARTICIPANT THAT HOLDS
17 AN AUTHORIZATION IN ANOTHER JURISDICTION FROM ACTING PURSUANT TO AND IN
18 ACCORDANCE WITH THAT AUTHORIZATION.

19 C. A SANDBOX PARTICIPANT IS DEEMED TO POSSESS AN APPROPRIATE
20 AUTHORIZATION UNDER THE LAWS OF THIS STATE FOR PURPOSES OF ANY PROVISION
21 OF FEDERAL LAW REQUIRING STATE AUTHORIZATION.

22 D. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, A SANDBOX
23 PARTICIPANT IS NOT SUBJECT TO STATE LAWS THAT ESTABLISH REQUIREMENTS
24 PURSUANT TO AN AUTHORIZATION ISSUED BY AN APPLICABLE AGENCY THAT OTHERWISE
25 WOULD OR MAY REGULATE A PROPERTY PRODUCT OR SERVICE.

26 E. THE CHIEF EXECUTIVE OFFICER MAY DETERMINE THAT CERTAIN STATE
27 LAWS THAT REGULATE A PROPERTY PRODUCT OR SERVICE APPLY TO A SANDBOX
28 PARTICIPANT. IF THE CHIEF EXECUTIVE OFFICER MAKES THIS DETERMINATION AND
29 APPROVES AN APPLICATION FOR ENTRY INTO THE PROPERTY TECHNOLOGY SANDBOX,
30 THE CHIEF EXECUTIVE OFFICER MUST NOTIFY THE SANDBOX PARTICIPANT OF THE
31 SPECIFIC STATE PROPERTY TECHNOLOGY LAWS THAT APPLY TO THAT SANDBOX
32 PARTICIPANT.

33 F. A SANDBOX PARTICIPANT MAY OBTAIN, RECORD, PROVIDE OR MAINTAIN IN
34 AN ELECTRONIC FORM, INCLUDING AS PROVIDED IN SECTION 44-7601, ANY
35 INFORMATION, WRITING, SIGNATURE, RECORD OR DISCLOSURE THAT IS REQUIRED BY
36 THIS CHAPTER OR MAY SUBSTITUTE ANY SUBSTANTIALLY SIMILAR EQUIVALENT
37 INFORMATION, WRITING, SIGNATURE, RECORD OR DISCLOSURE THAT IS APPROVED BY
38 THE CHIEF EXECUTIVE OFFICER.

39 18-606. Consumer protection

40 A. BEFORE PROVIDING AN INNOVATIVE PROPERTY PRODUCT OR SERVICE TO
41 CONSUMERS, A SANDBOX PARTICIPANT MUST DISCLOSE TO CONSUMERS ALL OF THE
42 FOLLOWING:

43 1. THE NAME AND CONTACT INFORMATION OF THE SANDBOX PARTICIPANT,
44 INCLUDING THE REGISTRATION NUMBER PROVIDED BY THE CHIEF EXECUTIVE OFFICER
45 PURSUANT TO SECTION 18-605.

1 2. THAT THE INNOVATIVE PROPERTY PRODUCT OR SERVICE IS AUTHORIZED
2 PURSUANT TO THE PROPERTY TECHNOLOGY SANDBOX AND, IF APPLICABLE, THAT THE
3 SANDBOX PARTICIPANT DOES NOT HAVE AUTHORIZATION TO GENERALLY PROVIDE
4 PRODUCTS OR SERVICES UNDER STATE LAWS THAT REGULATE A PROPERTY PRODUCT OR
5 SERVICE THAT IS OUTSIDE THE PROPERTY TECHNOLOGY SANDBOX.

6 3. THAT THIS STATE DOES NOT ENDORSE OR RECOMMEND THE INNOVATION.

7 4. THAT THE INNOVATIVE PROPERTY PRODUCT OR SERVICE IS A TEMPORARY
8 TEST THAT MAY BE DISCONTINUED AT THE END OF THE TESTING PERIOD, INCLUDING
9 THE EXPECTED END DATE OF THE TESTING PERIOD.

10 5. THAT COMPLAINTS MAY BE FILED WITH THE CHIEF EXECUTIVE OFFICER
11 REGARDING THE INNOVATIVE PROPERTY PRODUCT OR SERVICE BEING TESTED AND THE
12 CHIEF EXECUTIVE OFFICER'S TELEPHONE NUMBER AND WEBSITE ADDRESS WHERE
13 COMPLAINTS MAY BE FILED.

14 B. THE DISCLOSURES PRESCRIBED BY SUBSECTION A OF THIS SECTION MUST
15 BE PROVIDED TO CONSUMERS IN A CLEAR AND CONSPICUOUS FORM IN BOTH ENGLISH
16 AND SPANISH. FOR INTERNET OR APPLICATION-BASED INNOVATIVE PROPERTY
17 PRODUCTS OR SERVICES, CONSUMERS MUST ACKNOWLEDGE RECEIPT OF THESE
18 DISCLOSURES BEFORE COMPLETION OF A TRANSACTION.

19 C. THE CHIEF EXECUTIVE OFFICER MAY REQUIRE THAT A SANDBOX
20 PARTICIPANT MAKE ADDITIONAL DISCLOSURES TO CONSUMERS. IF THE CHIEF
21 EXECUTIVE OFFICER APPROVES AN APPLICATION FOR ENTRY INTO THE PROPERTY
22 TECHNOLOGY SANDBOX, THE CHIEF EXECUTIVE OFFICER SHALL NOTIFY THE SANDBOX
23 PARTICIPANT OF THE ADDITIONAL DISCLOSURES.

24 18-607. Exit requirements

25 A. AT LEAST THIRTY DAYS BEFORE THE END OF THE TWENTY-FOUR-MONTH
26 PROPERTY TECHNOLOGY SANDBOX TESTING PERIOD, A SANDBOX PARTICIPANT MUST
27 NOTIFY THE CHIEF EXECUTIVE OFFICER THAT THE SANDBOX PARTICIPANT WILL EXIT
28 THE PROPERTY TECHNOLOGY SANDBOX, WIND DOWN ITS TEST AND CEASE OFFERING ANY
29 INNOVATIVE PROPERTY PRODUCTS OR SERVICES IN THE PROPERTY TECHNOLOGY
30 SANDBOX WITHIN SIXTY DAYS AFTER THE TWENTY-FOUR-MONTH TESTING PERIOD ENDS.

31 B. IF THE CHIEF EXECUTIVE OFFICER DOES NOT RECEIVE NOTIFICATION
32 PURSUANT TO SUBSECTION A OF THIS SECTION, THE PROPERTY TECHNOLOGY TESTING
33 PERIOD ENDS AT THE END OF THE TWENTY-FOUR-MONTH TESTING PERIOD AND THE
34 SANDBOX PARTICIPANT MUST IMMEDIATELY CEASE OFFERING INNOVATIVE PROPERTY
35 PRODUCTS OR SERVICES.

36 C. IF A TEST INCLUDES OFFERING PRODUCTS OR SERVICES THAT REQUIRE
37 ONGOING DUTIES, THE SANDBOX PARTICIPANT MUST CONTINUE TO FULFILL THOSE
38 DUTIES OR ARRANGE FOR ANOTHER PERSON TO FULFILL THOSE DUTIES AFTER THE
39 DATE THE SANDBOX PARTICIPANT EXITS THE PROPERTY TECHNOLOGY SANDBOX.

40 18-608. Recordkeeping and reporting requirements

41 A. A SANDBOX PARTICIPANT MUST RETAIN RECORDS, DOCUMENTS AND DATA
42 PRODUCED IN THE ORDINARY COURSE OF BUSINESS REGARDING AN INNOVATION TESTED
43 IN THE PROPERTY TECHNOLOGY SANDBOX.

44 B. IF AN INNOVATION FAILS BEFORE THE END OF THE TESTING PERIOD, THE
45 SANDBOX PARTICIPANT MUST NOTIFY THE CHIEF EXECUTIVE OFFICER AND REPORT ON

1 ACTIONS TAKEN TO ENSURE CONSUMERS HAVE NOT BEEN HARMED AS A RESULT OF THE
2 INNOVATION'S FAILURE.

3 C. A SANDBOX PARTICIPANT IS SUBJECT TO THE REQUIREMENTS OF SECTION
4 18-552 AND MUST NOTIFY THE CHIEF EXECUTIVE OFFICER OF ANY BREACH AS
5 DEFINED IN SECTION 18-551.

6 18-609. Records; disclosure; evidentiary effect

7 A. RECORDS THAT ARE SUBMITTED TO OR OBTAINED BY THE CHIEF EXECUTIVE
8 OFFICER IN ADMINISTERING THIS CHAPTER ARE NOT PUBLIC RECORDS OR OPEN FOR
9 INSPECTION BY THE PUBLIC.

10 B. RECORDS AND INFORMATION THAT ARE SUBMITTED OR OBTAINED PURSUANT
11 TO THIS CHAPTER MAY BE DISCLOSED TO ANY OF THE FOLLOWING:

12 1. STATE AND FEDERAL AGENCIES.

13 2. REPRESENTATIVES OF FOREIGN COUNTRIES THAT HAVE PROPERTY
14 TECHNOLOGY OR SUPERVISORY AUTHORITY OVER THE ACTIVITIES OF THE SANDBOX
15 PARTICIPANT.

16 3. A FEDERAL, STATE OR COUNTY GRAND JURY IN RESPONSE TO A LAWFUL
17 SUBPOENA.

18 4. THE AUDITOR GENERAL FOR THE PURPOSE OF CONDUCTING AUDITS
19 AUTHORIZED BY LAW.

20 C. THE CHIEF EXECUTIVE OFFICER AND ANY APPLICABLE AGENCY CONSULTED
21 BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 18-604 ARE NOT LIABLE
22 FOR THE DISCLOSURE OF RECORDS, INFORMATION OR DATA RECEIVED OR OBTAINED
23 PURSUANT TO THIS CHAPTER.

24 D. THE DISCLOSURE PURSUANT TO SUBSECTION B OF THIS SECTION OF A
25 COMPLAINT OR THE RESULTS OF AN EXAMINATION, INQUIRY OR INVESTIGATION OF A
26 SANDBOX PARTICIPANT DOES NOT MAKE THAT INFORMATION A PUBLIC RECORD, AND
27 THE SANDBOX PARTICIPANT OR THE SANDBOX PARTICIPANT'S HOLDING COMPANY MAY
28 NOT DISCLOSE THAT INFORMATION TO THE GENERAL PUBLIC UNLESS THE DISCLOSURE
29 IS REQUIRED BY LAW. A SANDBOX PARTICIPANT OR THE SANDBOX PARTICIPANT'S
30 HOLDING COMPANY MAY NOT DISCLOSE, USE OR REFERENCE IN ANY FORM COMMENTS,
31 CONCLUSIONS OR RESULTS OF AN EXAMINATION, INQUIRY OR INVESTIGATION IN ANY
32 TYPE OF COMMUNICATION TO A CUSTOMER OR POTENTIAL CUSTOMER.

33 E. THIS SECTION DOES NOT PREVENT THE DISCLOSURE OF INFORMATION THAT
34 IS ADMISSIBLE IN EVIDENCE IN A CIVIL OR CRIMINAL PROCEEDING BROUGHT BY A
35 STATE OR FEDERAL LAW ENFORCEMENT AGENCY TO ENFORCE OR PROSECUTE CIVIL OR
36 CRIMINAL VIOLATIONS OF THE LAW.

37 18-610. Reporting requirements; monitoring; enforcement;
38 agreements

39 A. THE CHIEF EXECUTIVE OFFICER MAY ESTABLISH PERIODIC REPORTING
40 REQUIREMENTS FOR SANDBOX PARTICIPANTS.

41 B. THE CHIEF EXECUTIVE OFFICER MAY REQUEST RECORDS, DOCUMENTS AND
42 DATA FROM SANDBOX PARTICIPANTS. ON THE CHIEF EXECUTIVE OFFICER'S REQUEST,
43 SANDBOX PARTICIPANTS MUST MAKE SUCH RECORDS, DOCUMENTS AND DATA AVAILABLE
44 FOR INSPECTION BY THE CHIEF EXECUTIVE OFFICER.

1 C. IF THE CHIEF EXECUTIVE OFFICER HAS REASONABLE CAUSE TO BELIEVE
2 THAT A SANDBOX PARTICIPANT WAS ADMITTED INTO THE PROPERTY TECHNOLOGY
3 SANDBOX IN VIOLATION OF THIS CHAPTER OR HAS ENGAGED IN, IS ENGAGING IN OR
4 IS ABOUT TO ENGAGE IN ANY PRACTICE OR TRANSACTION THAT VIOLATES THIS
5 CHAPTER, THAT CONSTITUTES AN UNLAWFUL PRACTICE UNDER SECTION 44-1522 OR
6 THAT VIOLATES A STATE OR FEDERAL CRIMINAL LAW, THE CHIEF EXECUTIVE OFFICER
7 MAY REMOVE A SANDBOX PARTICIPANT FROM THE PROPERTY TECHNOLOGY SANDBOX OR
8 ORDER A SANDBOX PARTICIPANT TO EXIT THE PROPERTY TECHNOLOGY SANDBOX
9 PURSUANT TO SECTION 18-607.

10 D. REMOVAL FROM THE PROPERTY TECHNOLOGY SANDBOX IS NOT AN
11 APPEALABLE AGENCY ACTION FOR THE PURPOSES OF TITLE 41, CHAPTER 6.

12 E. SANDBOX PARTICIPANTS ARE SUBJECT TO THE CONSUMER FRAUD
13 PROVISIONS UNDER TITLE 44, CHAPTER 10, ARTICLE 7.

14 F. THE CHIEF EXECUTIVE OFFICER MAY ENTER INTO AGREEMENTS WITH
15 STATE, FEDERAL OR FOREIGN REGULATORS THAT ALLOW SANDBOX PARTICIPANTS TO
16 OPERATE IN OTHER JURISDICTIONS AND ALLOW ENTITIES AUTHORIZED TO OPERATE IN
17 OTHER JURISDICTIONS TO BE RECOGNIZED AS SANDBOX PARTICIPANTS IN THIS
18 STATE.

19 18-611. Applicability

20 THIS CHAPTER DOES NOT APPLY TO A PROFESSION THAT IS REGULATED
21 PURSUANT TO TITLE 32, CHAPTER 20.

22 18-612. Program termination

23 THE PROGRAM ESTABLISHED BY THIS CHAPTER ENDS ON JULY 1, 2029
24 PURSUANT TO SECTION 41-3102.

25 Sec. 2. Section 41-1506, Arizona Revised Statutes, is amended to
26 read:

27 41-1506. Arizona commerce authority fund

28 A. The Arizona commerce authority fund is established consisting
29 of:

30 1. Withholding tax revenues allocated to the fund from the job
31 creation withholdings clearing account pursuant to section 43-409,
32 subsection B, paragraph 1. Monies credited to the fund may be deposited
33 in the state treasury or in a bank or other depository approved by the
34 board of directors pursuant to section 41-1504, subsection D, paragraph 5.

35 2. MONIES DEPOSITED PURSUANT TO SECTION 18-603.

36 B. The chief executive officer shall administer the fund. On
37 notice from the chief executive officer, the state treasurer shall invest
38 and divest any monies in the fund deposited in the state treasury as
39 provided by section 35-313, and monies earned from investment shall be
40 credited to the fund. Monies in the fund are exempt from the provisions
41 of section 35-190 relating to lapsing of appropriations.

- 1 C. The chief executive officer shall use the monies in the fund AS
- 2 FOLLOWS:
- 3 1. MONIES DESCRIBED IN SUBSECTION A, PARAGRAPH 1 OF THIS SECTION
- 4 SHALL BE USED exclusively for the purposes of this chapter without further
- 5 legislative authorization.
- 6 2. MONIES DESCRIBED IN SUBSECTION A, PARAGRAPH 2 OF THIS SECTION
- 7 SHALL BE USED EXCLUSIVELY FOR THE PURPOSES OF TITLE 18, CHAPTER 6.

APPROVED BY THE GOVERNOR MARCH 20, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 20, 2019.

Passed the House March 4, 20 19

Passed the Senate March 19, 20 19

by the following vote: 46 Ayes,

by the following vote: 21 Ayes,

12 Nays, 2 Not Voting

8 Nays, 1 Not Voting

R. R. [Signature]
Speaker of the House

☒ Pro Tempore

[Signature]
Chief Clerk of the House

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

19th day of March, 20 19

at 2:35 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 20th day of

March

at 12:52 o'clock P M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 20 day of March, 20 19

at 4:50 o'clock P. M.

[Signature]
Secretary of State

H.B. 2673